

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CONSUMERS WATER DISTRICT'S APPLICATION)	
FOR APPROVAL OF THE TRANSFER AND)	CASE NO.
ACQUISITION OF HOLIFIELD HEIGHTS)	90-036
SUBDIVISION WATER SYSTEM BY THE CONSUMERS)	
WATER DISTRICT)	

O R D E R

On February 14, 1990, Consumers Water District ("Consumers") filed an application requesting approval of the transfer of ownership of Holifield Heights Subdivision Water System ("Holifield Heights") to Consumers. This Order grants the approval requested.

Holifield Heights serves 18 customers in Graves County, Kentucky. It has been owned and operated by Clyde Holifield since 1972 when it was constructed to serve a trailer court owned by Mr. Holifield. The Holifield Heights system is currently operating as a utility without the authorization of the Public Service Commission. It is a non-metered water system with all customers paying a flat rate of \$10 per month. Holifield Heights has no tariff on file with the Commission.

The Holifield Heights system consists of a 196 foot deep well, water pump, 800 gallon pressure tank, chlorine feed pump, and approximately 2,000 feet of 2 inch PVC pipe. Consumers' water main is approximately 1,100 feet from the Holifield Heights system. Mr. Holifield and Consumers have executed a contract for

the transfer of the system free of charge to Consumers, including all service lines and easements. Consumers will supply water to the 18 residents from its existing water sources using the existing water lines of the Holifield Heights system. Pursuant to the agreement, the residents will be charged the same rate as Consumers' current customers and will pay a \$325 tap-on fee.

807 KAR 5:011, Section 11(1), provides that when ownership of a utility is transferred, the acquiring company must adopt the rates and regulations of the former company unless authorized to change by the Commission. In this case, Holifield Heights has no rates or regulations on file with the Commission, nor does it have metered rates for water service.

The Commission finds that Consumers is ready, willing, and able to acquire ownership and operation of Holifield Heights, and that it has the financial, technical, and managerial abilities to provide reasonable service to the customers of Holifield Heights. The Commission further finds that Consumers' currently approved rates for water service on file with the Commission are the fair, just, and reasonable rates for the customers of Holifield Heights and that Consumers should be authorized to apply these rates to the Holifield Heights customers.

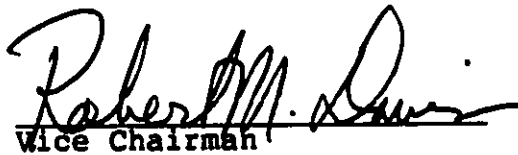
IT IS THEREFORE ORDERED that:

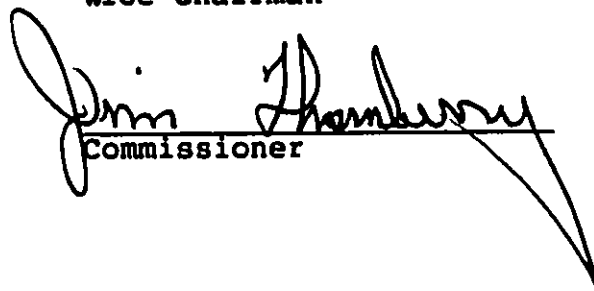
1. The proposed transfer be and it hereby is approved.
2. Consumers is authorized to charge the customers of Holifield Heights its currently approved rates on file with the Commission.

Done at Frankfort, Kentucky, this 16th day of April, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director